REMARKS

Claims 1-14, as amended, remain herein.

Minor, editorial changes have been made in claims 1-4 and 6-14.

The specification has been edited to correct a minor spelling error.

1.   An objection was stated to a typographical error in the specification, which has been corrected.

2.   Claims 1-14 were rejected under 35 U.S.C. §103(a) over Radican U.S. Patent 6,148,291 and Johnson et al. U.S. Patent 5,712,989.

The presently claimed method for managing physical distribution of products and returnable containers comprises receiving a request from a second party to ship at least one product, determining a product inventory balance based on inventory information about such products and the request to ship at least one such product, and based on the product inventory balance determination sending a product-shipping

notice to the first party. The method further comprises determining a returnable container inventory balance based on inventory information about such returnable containers and the received request to ship at least one such product, and based on the returnable container inventory balance determination sending a returnable container-returning notice to the second party. This method and corresponding apparatus are nowhere disclosed or suggested in the cited references.

Radican '291 discloses a virtual inventory accounting system that tracks the locations of containers comprising both resident and in-transit inventory.

The Office Action cites Radican '291 as allegedly disclosing a method for managing physical distribution of products and returnable containers, taking the position that it is inherent that a request exists because the second party requests the first party to ship at least one product, and that Radican '291 allegedly describes supplier receipt of an order and steps to fill such order by loading product on a returnable container. The Office Action admits that Radican '291 does not disclose determining a returnable container inventory balance and when

the balance is below a predetermined inventory level, sending notice to the second party to return empty containers, and cites Johnson '989 as allegedly teaching an inventory management system linking first and second parties, wherein when an item has a low inventory, a notice is sent to suppliers to replenish the low inventory.

However, Johnson '989, column 27, lines 15-65, describes inventory replenishment, stating that the CSR (Customer Service Representative) enters a code into the data screen, so that a replenishment algorithm is executed, whereby a determination is made whether the quantity on hand is below a reorder point, and if so, a reorder quantity is calculated and a restocking order is issued. Johnson '989 does <u>not</u> describe receiving a request from a party to ship at least one product, determining a product inventory balance based on inventory information about the products and the request. Johnson '989 does <u>not</u> disclose a step for determining a product inventory balance based on (1) inventory information and (2) the request, as recited in applicants' claim 1, and corresponding apparatus in claims 7 and 10. Johnson '989 does <u>not</u> say that the request is part of the

18

consideration made by the CSR to enter a replenishment code, and in fact, such a decision could be based on any one of several other factors not responsive to a customer request/order.

Johnson '989 does not further teach determining a returnable container inventory balance based on inventory information about the returnable containers and the received request to ship at least one product, and based on the returnable container inventory balance determination sending a returnable container-returning notice to the second party, as recited in applicants' claims 1, and corresponding apparatus in claims 7 and 10.

For the foregoing reasons, neither Radican '291 nor Johnson '989 contains any teaching, suggestion, reason, motivation or incentive that would have led one of ordinary skill in the art to applicants' claimed invention. Nor is there any disclosure or teaching in either of these references that would have suggested the desirability of combining any portions thereof effectively to anticipate or suggest applicants' presently claimed invention. Claims 2-6, which depend from claim 1, are allowable for the same reasons described herein for claim 1, and claims 8 and 9, which depend from claim 7, are allowable for the

same reasons described herein for claim 7, and claims 11-14 are allowable for the same reasons described herein for claim 10. Accordingly, reconsideration and withdrawal of this rejection are respectfully requested.

All claims 1-14 are now proper in form and patentably distinguished over all grounds of rejection cited in the Office Action. Accordingly, allowance of all claims 1-14 is respectfully requested.

Serial No.: 09/982,991

Should the Examiner deem that any further action by the applicants would be desirable to place this application in even better condition for issue, the Examiner is requested to telephone applicants' undersigned representatives.

Respectfully submitted,

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___December 23, 2003___   _____
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21

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